

Investment Case from Mexico

RANCHO EL OJO, MEXICO

PROJECT OVERVIEW

- **Location:** Durango, Mexico; Malpaís[1] de la Breña volcanic field, near Sierra de Órganos National Park
- **Business model:** Integrated ranching enterprise combining cow–calf[2], registered Brangus genetics, grass-fed beef, mezcal and sotol production, soil regenerator, a certified wildlife management unit, tourism and education
- **Capital Sought:** US$295,000 for expanding infrastructure, digital monitoring and training capacity
- **Core partners:** Universidad Autónoma Agraria Antonio Narro, Pronatura Noreste (NGO), *Rio Grande Joint Venture*, *International Year of Rangelands and Pastoralists Global Alliance*, *Central Grasslands Roadmap*
- **Founded:** 2004 (current enterprise); family restoration legacy since the 1980s

1 Malpaís refers to an ancient volcanic lava landscape characterized by rocky soils, lava flows and native grasses adapted to harsh conditions.

2 A cow–calf operation focuses on breeding and raising calves until weaning, after which animals are sold for finishing or further production.

Rancho El Ojo is a family-run livestock enterprise in northern Mexico operated under Internacional Ganadera, the Saravia family's umbrella company. Internacional Ganadera manages a 7,589 ha integrated landscape comprising Rancho El Ojo, Rancho El Rosillo and Rancho Las Yucas, where the family combines Brangus genetics, grass-fed beef, mezcal and sotol[3] production, wildlife conservation, and hands-on training in regenerative grazing and rangeland restoration.

In partnership with *Universidad Autónoma Agraria Antonio Narro* (*UAAAN*) and Pronatura Noreste[4], Rancho El Ojo is being formalized as a Rancho Escuela (ranch school) — a living laboratory where students, ranchers and local communities learn reproductive management, holistic nutrition, adaptive grazing and wildlife conservation, supported by tools such as virtual fencing, drones and grassland monitoring.

The current investment ask is USD 290,000, channelled through Internacional Ganadera and implemented at Rancho El Ojo, with the objective of scaling the Rancho Escuela model. The investment focuses on student housing, virtual collars, water-efficient infrastructure, scholarships and digital monitoring systems. This funding will consolidate Rancho El Ojo as a flagship education, conservation and production hub for the Chihuahuan Desert rangelands, with strong potential for replication across northern Mexico.

Rancho El Ojo is in one of northern Mexico's most distinctive rangeland landscapes: a volcanic malpaís of ancient lava flows, rocky soils and xerophytic vegetation[5]. The enterprise manages roughly 5,300 ha at El Ojo as part of a larger landholding that also includes Rancho Las Yucas (approximately equal to 1,190 ha) and Rancho El Rosillo (approximately equal to 1,099 ha), forming a 7,589 ha mosaic under formal conservation agreements.

The ranch operates as a Brangus and Red Brangus seedstock operation[6] adapted to semi-arid, high-altitude rangelands, exporting live cattle to the US market and selling grass-fed beef locally through a direct-to-consumer model. Brangus is a beef cattle breed developed from Brahman and Angus genetics, combining heat and drought tolerance with good meat quality, making it well suited to semi-arid rangelands. Cattle graze native grasses and volcanic forages, complemented by nopal (Opuntia cactus) as a drought-resilient forage and soil stabilizer.

Beyond cattle, the enterprise hosts Origen Raíz, a premium mezcal and sotol brand produced at Viñata El Ojo, where wild maguey is harvested under conservation guidelines. Origen Raíz was conceived explicitly as a sustainable mezcal model, harvesting only a portion of mature agaves each year to maintain wild stands and the fauna that depend on them (bats, birds, pollinators). The ranch also maintains a certified wildlife management unit that integrates sustainable hunting, birding and ecotourism.

Over the last five years, partnerships with Pronatura Noreste and regional researchers have transformed Rancho El Ojo from a conventional cow–calf operation into a landscape stewardship platform, linking production, conservation and education across the Chihuahuan Desert ecoregion.

Corporate structure

Rancho El Ojo operates under Rancho El Ojo SPR de RL, the family holding entity that owns the land and the entire breeding herd. The holding anchors several specialized ventures: Internacional Ganadera Exports (commercialization and feedlot),

3 Mezcal and sotol are traditional Mexican distilled spirits produced from agave species (maguey for mezcal, sotol plants for sotol). These plants grow slowly in arid landscapes and are ecologically important for wildlife, particularly pollinators such as bats. At Rancho El Ojo, agaves are harvested under conservation guidelines that limit extraction to mature plants and maintain healthy wild populations.

4 Pronatura Noreste *https://pronaturanoreste.org/*

5 Xerophytic vegetation refers to plants adapted to dry environments, requiring very little water to survive.

6 A seedstock operation produces registered breeding animals (bulls and females) that are sold to other ranches to improve genetics.

Origen Raíz del Espíritu (mezcal and sotol joint venture), and Opunterra (cactus-based soil regenerator developed with Colectivo Independiente Campesino and WeWant LLC). This structure allows risk diversification while keeping ecological management centralized at landscape level.

SUSTAINABLE PRODUCTION MODEL

Rancho El Ojo's production model rests on four interconnected pillars: regenerative grazing, volcanic grassland restoration, diversified rural enterprises and a formal Rancho Escuela programme.

Regenerative grazing and genetics

- Core cow–calf operation with registered Brangus and Red Brangus lines adapted to semi-arid volcanic rangelands.
- Cattle graze across a network of pastures spanning malpaís, upland grasslands and lowland microsites, using planned rotational grazing and improved water distribution to maintain ground cover, forage diversity and animal performance.
- Export of live cattle to the US remains the legacy backbone of the enterprise, complemented by grass-fed beef sold directly into Mexican markets.

Internacional Ganadera Exports, created in 2021, functions as the commercial arm of the group. Beyond cattle exports, it increasingly integrates feedlot finishing and works with neighboring ranchers to improve genetics, animal performance and land management practices, extending landscape-level impact beyond the core properties.

Volcanic ecosystem management and restoration

- Progressive shrub control, brush dam construction and water-harvesting structures to rehabilitate key areas (e.g. more than100 ha shrub control and brush dams at El Rosillo; more than 30 ha jarilla[7] control at Las Yucas, with additional areas managed by the landowner).
- Strategic infrastructure (electric fencing, water pipelines and storage) supports rotational grazing and reduces pressure on vulnerable sites (e.g. 14 km of electric fencing and a 200,000 L water tank across Las Yucas and El Ojo; additional fences and 5 km of water lines plus mobile troughs within El Ojo).
- Grassland and soil health diagnostics now cover more than 5,000 ha, guiding adaptive management across the three ranches.

Table 1: *Landholding and conservation overview*

Ranch Unit	Area	Main Land U	Conservation/Restoration Actions
El Ojo	~5,300 ha	Cow–calf, Brangus genetics, grass-fed beef, mezcal/sotol	Rotational grazing, water infrastructure, brush control, soil monitoring
El Rosillo	~1,099 ha	Volcanic grassland & shrubland	Brush dams, shrub control (>100 ha), water distribution upgrades
Las Yucas	~1,190 ha	Grassland, wildlife habitat	Jarilla (Larrea) control (>30 ha), electric fencing, water tank (200,000 L)
Total Landscape	7,589 ha	Integrated livestock + conservation	Long-term conservation agreements, grassland diagnostics (>5,000 ha)

7 A genus of succulent plants (Caricaceae family, like papaya relatives) known for edible fruit and tubers.

Diversification: mezcal, sotol, soil regenerator and wildlife tourism

- *Origen Raíz mezcal and sotol:* wild agave (e.g. maguey cenizo) and sotol harvested under sustainability criteria; a vinata (mezcal distillery) at El Ojo adds high-value branded products and tourism experiences linked to mezcal culture.
- Soil biofactory: production of a cactus-based soil regenerator that valorizes abundant nopal and supports soil restoration on- and off-ranch. Opuntia (nopal) is native and abundant across the ranch landscape. Extraction follows a regenerative pruning model under formal permits, ensuring paddles regrow naturally. In addition to wild stands, cultivated plots are integrated into grazing rotations, where cattle consume mature pads every 2–3 years without degrading plant populations.
- Wildlife reserve (certified wildlife management unit) with controlled hunting, wildlife viewing and birding tours, leveraging high densities of priority grassland birds as a biodiversity attraction.
- These experience-based activities are being consolidated under Terra Custodia, a dedicated platform integrating conservation tourism, sustainable hunting (UMA), and educational experiences. Terra Custodia formalizes revenue-sharing mechanisms with neighboring landowners, aligning economic incentives with wildlife stewardship.

Education and research (Rancho Escuela)

Formally framed through a Memorandum of Understanding between Rancho El Ojo and UAAAN (2025), the ranch school programe aims to co-develop educational curricula, research and extension for sustainable livestock and natural resource management. Key elements include:

Training modules in:

- reproduction: artificial insemination, embryo transfer, advanced reproductive techniques, pregnancy diagnosis;
- holistic nutrition: pasture-based feeding, marketing/export channels, and evaluation of feedlot versus grass-based finishing; and
- Grazing systems: rangeland health assessment, carrying capacity and stocking rate calculation, adaptive rotational grazing design (electric and virtual fences), and wildlife habitat management.

Innovation tools: adoption of virtual fencing (collars), drones, Motus antenna and digital monitoring to track livestock movement and wildlife and to generate high-value datasets on grassland responses to management.

Research projects led by UAAAN graduate students on:

- native grass seed mixes for pasture rehabilitation,
- pasture health under different intensive grazing scenarios,
- use of Opuntia-based products (Opunterra) as stimulants for grass growth, and
- long-term monitoring plots and livestock movement modelling using virtual collars.

Savory Hub Pathway: ongoing holistic management training and ecosystem process monitoring with the medium-term goal of becoming a Savory Institute Hub.

This integrated model positions Rancho El Ojo as a tri-sector platform (private ranch, university and NGO) co-creating science-based solutions for the Chihuahuan Desert grasslands.

ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

Across El Ojo, El Rosillo and Las Yucas, more than 7,500 ha are under formal conservation arrangements, with restoration and holistic grazing implemented where needed and strict conservation in other areas. Habitat restoration has included shrub control over 130 ha, construction of brush dams and gabions to improve infiltration and ongoing efforts to reduce woody encroachment and maintain native grass cover.

Infrastructure investments in electric fencing, water pipelines, storage tanks and mobile troughs have strengthened rotational grazing capacity, enabling better distribution of grazing pressure and more frequent rest periods for vegetation. Combined with long-term grassland and soil sampling on more than 5,000 ha, these interventions provide a robust baseline to track changes in ecosystem function.

The ranches are also integrated into regional grassland bird monitoring programmes. Winter surveys (2022–2024) have recorded high abundances of priority species such as Baird's Sparrow, Grasshopper Sparrow, Long-billed Curlew, Lark Bunting, Vesper Sparrow and Montezuma Quail, used as indicators of rangeland conditions. External experts highlight that the presence and abundance of these birds reflect good grazing management and habitat structure, underscoring the ecological significance of Rancho El Ojo as a refuge within a wider landscape under pressure.

Sustainable hunting operates under a revenue-sharing model with neighboring properties, strengthening incentives for wildlife protection and reducing pressure on habitat conversion.

Table 2: *Key ecological indicators monitored*

Indicator	Method	Status
Grassland condition	Line-point intercept + biomass sampling	Active (5,000+ ha)
Soil health	Soil Carbon, infiltration, texture	Baseline established
Bird diversity	IMBCR protocol / Pronatura	Annual surveys
Shrub encroachment	Transects & drone imagery	Partially controlled
Livestock movement	**GPS collars / virtual fencing**	**Pilot phase**

Rancho El Ojo supports local communities by creating rural employment beyond traditional cattle ranching, hosting paid internships and training programmes for university students, and working with neighbouring ejidos to build skills in regenerative grazing, restoration and sustainable land management.

Rancho El Ojo has doubled its staff since 2015 with the creation of the vinata (mezcal distillery) and soil biofactory, generating new roles beyond traditional cow–calf work. More than 35 university students have completed internships in veterinary science, rangeland management and biology, and the ranch hosts environmental education events for local schools and collaborates with nearby ejidos on grassland restoration.[8] Women and youth participate actively in mezcal, soil regenerator and education activities, broadening rural employment and leadership opportunities.

8 An ejido is an area of communal land used for agriculture in which community members have usufruct rights rather than ownership rights to land, which in Mexico is held by the Mexican state.

Economically, the enterprise now relies on carcass sales to HEB Mexico as its primary commercial channel, following a year-long shutdown that reshaped its business model. Beef Park Durango–America has become the strategic anchor ensuring long-term stability for the cow–calf operation, allowing productive grasslands and conservation outcomes to remain closely linked. This renewed market structure strengthens resilience to climate and price volatility and reinforces the ranch's position as a biodiversity-friendly, high-quality producer. At the same time, the Rancho Escuela continues to open an additional revenue pathway through training, courses and agritourism, while generating the data and partnerships required to access emerging conservation and climate-finance opportunities.

The ranch is currently engaged in carbon accounting and awaiting performance-based payments for verified sequestration outcomes. Carbon revenues are considered complementary to the core business rather than a primary financial driver.

INVESTMENT OPPORTUNITY

Current stage

Rancho El Ojo is fully operational as a ranching and conservation enterprise and has already piloted the Rancho Escuela concept with more than 35 students and multiple research collaborations. The constraint is scale: student numbers, monitoring capacity and community outreach are limited by infrastructure and budget.

Investment required

The **immediate investment ask is USD 290,000**, focused on expanding the Rancho Escuela infrastructure, digital monitoring and training capacity rather than on core ranch operations. According to the Rancho Escuela work plan and financing slide, funds would be allocated as follows:

- **Virtual fencing (Gallagher collars):** 900 units at USD 250 each, plus associated equipment (approximately USD 235,000).
- **Hydraulic water systems:** water-efficient infrastructure for each ranch (approximately USD 35,000).
- **Dormitories:** three housing units for students and teachers (approximately USD 45,000).
- **Scholarships:** support for students from the social sector (approximately USD 15,000 per year).
- **Computers and IT:** three units and basic equipment (approximately USD 5,000).

This package enables Rancho El Ojo, UAAAN and Pronatura Noreste to formalize and scale the educational programme, host more students on a fixed-calendar basis, deploy virtual fencing and digital monitoring at scale, and reduce financial barriers for participants from ejidos and rural communities.

Expected returns

- The primary returns are educational, ecological and social, with complementary financial benefits:
- A replicable ranch school model for grassland conservation and regenerative grazing in the Chihuahuan Desert and other semi-arid regions.
- Improved forage productivity, water retention and carbon storage across thousands of hectares through better grazing and restoration practices.
- Expanded tourism and education revenues (courses, agritourism, birding, mezcal experiences), reducing dependency on volatile beef markets.

- Strengthened capacity of local ranchers and ejidos to adopt regenerative practices, with spillover benefits across northern Mexico.
- Unlike pure carbon projects, this investment is best suited for impact-oriented and philanthropic funders seeking high leverage on landscape restoration, education and rural resilience, with modest but growing revenue from training and tourism rather than a fixed internal rate of return.

Investor value proposition

For philanthropic and public-good funders

- Scale up a proven, operational model for arid-rangeland restoration and education
- Directly support more than7,500 ha under conservation and restoration, plus neighboring ejidos moving away from marginal rainfed cropping towards grassland restoration
- Strengthen rural livelihoods and professional pathways for young people (students, technicians, community leaders) in a region highly exposed to climate and market shocks

For impact investors and corporate environmental and social governance programmes

- Partner with a showcase ranch recognized in Mexico's beef and mezcal sectors for its conservation leadership and product quality[9]
- Generate credible, field-based evidence on how regenerative grazing, mezcal production and data-driven management affect biodiversity, forage and economics
- Associate brands (beef, mezcal, retail, finance) with a high-visibility story of alliances between private ranchers, universities and NGOs in the Chihuahuan Desert

For academic and research partners

- Long-term access to a living laboratory with existing diagnostics on more than 5,000 ha, bird and soil monitoring, and a platform for MSc/PhD research on grazing, restoration, wildlife and rural development.

9 Origen Raíz Mezcal Arroqueño "Edición 3" *https://permanwine.com/products/origen-raiz-mezcal-arroqueno-edicion-3*

FURTHER READING AND REFERENCES

- Ramos, A., Unnikrishnan, S., Munhoz, M., Moino, L., Bugas, J., Lacanna, S. 2025. Resilience for the future: A viable pathway to regenerative landscapes in the Cerrado. Boston, USA: Boston Consulting Group. (Available from *https://www.bcg.com/publications/2025/brazil-resilience-for-the-future-a-viable-pathway-to-regenerative-landscapes-in-the-cerrado*)
- Internacional Ganadera: *https://internacionalganadera.com/*

Social Media

- Instagram: *https://www.instagram.com/explore/locations/188945418351688/rancho-el-ojo/*
- Facebook: *https://www.facebook.com/ranchoelojo*
- YouTube Channel: *https://www.youtube.com/channel/UCr4k8Tc4n34xLU3jlvUJkRg*

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STELARR
SUSTAINABLE INVESTMENTS FOR LARGE-SCALE RANGELAND RESTORATION

STELARR (Sustainable Investments for Large-Scale Rangeland Restoration) facilitates private sector finance for rangeland restoration through sustainable livestock value chains. STELARR is funded by the **Global Environmental Facility (GEF)**, implemented by the **International Union for Conservation of Nature (IUCN)** and executed by the **International Livestock Research Institute (ILRI)** supported by the **International Center for Agricultural Research in Dry Areas (ICARDA)**, the **Alliance of Bioversity and the International Center for Tropical Agriculture (CIAT)**, the **Center for International Forestry Research and World Agroforesty (CIFOR-ICRAF)**, the **Sustainable Fibre Alliance** and **GMV**. ILRI and partners are not responsible for the accuracy of the figures used in this Investment Case.

This brief is published by **ILRI**, Nairobi with support from the **Global Environment Facility** and the **CGIAR Science Program on Multifunctional Landscapes**. We would like to thank all funders who supported this research through the contributions to the **CGIAR Trust Fund**: *www.cgiar.org/funders*

Photo: Rancho El Ojo, Mexico. **Design**: Federico Pinci, *http://www.federicopinci.info*

International Livestock Research Institute (ILRI), March 2026.